Resolution # R-25-32

RESOLUTION
AMENDING THE SYSTEM DEVELOPMENT FEE (SDF) CAPITAL RESERVE FUND (CRF) FOR PUBLIC UTILITIES

WHEREAS there is a need in the Town of Black Mountain to provide funds for future capital projects related to its water and wastewater system, and to make debt service payments on existing debt related to past capital projects for its water and wastewater system; and

WHEREAS NCGS 159-18 authorizes the creation of a capital reserve fund; and

WHEREAS NCGS 162A, Art. 8 requires that all system development fee (SDF) proceeds be accounted for in a capital reserve fund,

WHEREAS, on April 13, 2020, the Town created a capital reserve fund to account for such system development fee proceeds and fund water capital projects ("System Development Fee Capital Reserve Fund" or "SDF CRF") within ordinance R-20-04; and

WHEREAS, the Town wishes to amend the System Development Fee Capital Reserve Fund to account for additional system development fee proceeds received and appropriate certain amounts; and

NOW, THEREFORE, BE IT RESOLVED that the governing board of Town of Black Mountain hereby adopts and enacts the following:

Section 1. The following additional system development fee revenues were collected within FY2025and are to be transferred into the CRF fund from the Water Enterprise Fund:

System Development Fees	**$233,427.00**

Section 2. The Governing Board hereby creates a Capital Reserve Fund (CRF) for the purpose of funding the following capital projects related to the Town's water and wastewater system:

AUTOMATED METER READING (AMR) PROJECT. Automatic meter reading, or AMR, includes automatic collecting consumption, diagnostic, and status data from a water meter (or other utility meter) and transferring that data to a central database for billing, troubleshooting, and analyzing. With AMR, the meter readers can collect meter readings much quicker by simply driving by meter locations. The new meters will assist customers in detecting leaks and will assist utility staff in detecting malfunctioning or tampered meters. Additionally, this timely information coupled with analysis can help both utility staff and customers better manage the Town's potable water usage. The Town has acquired all of the AMR utility meters to complete this project but has struggled with allocating staff to complete the project. Due to the additional workload on staff stemming from normal growth as well as the staff time required

to complete the additional projects created by Helene, outsourcing of the meter install to complete this project will be necessary. Staff hope to complete the project within FY 2026.

The FY 25-26 appropriations from the CRF to the Water Automated Meter Capital Project for this purpose is $185,000.

RESERVE FOR WATER CAPITAL PROJECTS. Reserve funds for the purpose of funding capital projects that are considered eligible for recoverable cost through system development fees. Items to be included within this capital project category are:

- current and future capital waterline improvements and replacements throughout the Town.
- Future water line extensions
- upgrade and replacement of existing pumps. Pumps will help safeguard the town's ability to provide a consistent supply of water for years to come.
- Future System Development Fee Study required every five years

Reserve Funds Available for Water Capital Projects:

Capital Reserve Fund Balance	$386,681.88
Transfer in SDF Revenues FY2025	$233,427.00
Total SDF CRF funds reserve funds available as of June 30th, 2025	**$620,108.88**
Transfer Out Reserve Funds to Automated Meter Capital Project	($185,000.00)
Remaining SDF CRF reserve funds	**$435,108.88**

Section 3. This CRF shall remain effective until all the above-listed projects, and any projects added in the future, are completed. The CRF may be amended by the governing board as needed to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital projects.

Section 4. This Resolution shall become effective and binding upon its adoption.

Duly adopted by the Town Council of Black Mountain on this the 11th day of August 2025.

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C. Michael Sobel
Mayor

ATTEST:

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Wesley Barker, Town Clerk